

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, FEBRUARY 20, 2013 AT 4:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:03 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen C. Hittner, M.D; Bradford S. Dimeo; Deborah M. Thomas and Michael Traficante.

BOARD MEMBER ABSENT: Joseph Cianciolo and Robert Sangster.

ALSO PRESENT: Peter A. Frazier, C.M., Interim President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Traficante and seconded by Mr. Dimeo to approve the minutes of the Board of Director’s Meeting of January 16,

2013. The motion was passed unanimously.

2. Open Forum:

**Dr. Hittner asked if anyone present wanted to speak in Open Forum.
No one came forward.**

3. Report from Interim President and CEO:

Mr. Frazier presented the President and CEO report and reported on the following:

- There have been two major snow events and T. F. Green Airport has received 40.3 inches of snow accumulation to date with 23.4 inches of accumulation in February 2013. During the last storm, the Incident Command Center was activated to provide all tenants with up to date information during this storm. Alan Andrade and the snow teams were fully prepared and responded very well.**
- The passenger traffic for January 2013 was slightly down 2.21% on approximately 7% less capacity. Parking revenue will show an increase in February due to robust Spring Break travel.**
- The GA Airport system had a good year overall in 2012 and showed solid increases in 7 out of 10 operational categories.**

- **RIAC hosted two runway protection zone public meetings for 60 individual property owners. Forty-three homeowners participated in the meetings. The meetings were very congenial and informative. Dan Porter, RIAC's Airport Planner, was commended for his coordination of the meetings and the information presented.**
- **The Corporation held two meetings with City of Warwick officials to update them on the progress of the EIS-associated wetland mitigation program. An identical presentation will be provided at a meeting with the Buckey Brook Coalition within the next 10 days.**
- **A meeting will be held with the Westerly Town Council in March to discuss two aviation easements on town property.**
- **RIAC will provide a presentation to the Coventry Zoning Board Meeting on March 6th, at the request of the Zoning Board, in response to a private citizen's request to build a landing strip in Coventry.**
- **The Rhode Island Department of Transportation has asked RIAC to participate in a pilot program to promote ridership of the commuter rail. Free commuter parking will be offered at the Interlink parking garage and the Wickford Junction Station through the end of March. The InterLink facility revenues will receive reimbursement of lost revenue through a federal grant.**

- **The merger of American Airlines and US Airways is presently scheduled to be completed in September. This merger could result in connectivity and routes from American Airlines at T. F. Green Airport.**

4. Action Items:

(a) Consideration of and Action Upon Approval of a Consultant Land Acquisition Task Order for the Runway 5-23 Extension Project at T. F. Green Airport.

Mr. Frazier gave an overview of the task order. The recommendation is that the Board authorizes the Interim President and CEO, or his designee, to execute a Task Order with W D Schock Company, Inc. for Phase 1 - Acquisition and Relocation Services associated with the Runway 5 Extension Project at T. F. Green Airport in an amount not to exceed \$896,623, subject to FAA approval.

WHEREAS, on October 20, 2010, the Board approved the selection of W D Schock Company, Inc., (Schock) to provide On-Call Land Acquisition and Relocation Services and Avigation Easement Acquisition Services for the Rhode Island Airport System; and

WHEREAS, subsequent to this approval, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (Agreement) dated December 15, 2010, with Schock to provide these

services; and

WHEREAS, to date, five Task Orders totaling \$2,800,950 have been issued under this Agreement; and

WHEREAS, RIAC received a Scope and Fee with Schock in the amount of \$896,623 to perform Phase 1 - Acquisition and Relocation Services for the Runway 5 Extension Project at T. F. Green Airport and is currently conducting negotiations; and

WHEREAS, the Project is approved in the Fiscal Year 2013 Capital Improvement Program (CIP) budget in the amount of \$88,820,456; and

WHEREAS, as a result of a reduction of scope based on value engineering meetings held with the Federal Aviation Administration (FAA), this Project budget has been reduced to \$81,997,077; and

WHEREAS, this Task Order will initially be funded from the General Purpose Fund; and

WHEREAS, RIAC will seek reimbursement of 75% of the expenditures from the FAA through the Airport Improvement Program (AIP); and

WHEREAS, RIAC plans to reimburse its matching share of this Task Order from Passenger Facility Charges and/or future bond proceeds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to execute a Task Order with W D Schock Company, Inc. for Phase 1 - Acquisition and Relocation Services associated with the Runway 5 Extension Project at T. F. Green Airport in an amount not to exceed \$896,623, subject to FAA approval.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Professional Services Agreement and Consultant Task Order for the Runway 5-23 Extension Project at T. F, Green Airport.

This item was deferred.

(c) Consideration of and Action Upon Approval to Extend and Amend the Parking Management Agreement with Standard Parking at T. F. Green Airport.

Mr. Frazier provided an overview on this item noting Standard Parking is doing a commendable job providing parking management at T. F. Green Airport and this would be a three year extension to the agreement. There was further discussion on the management costs. The recommendation is the Board authorize the Interim President and CEO, or his designee to 1) extend the Parking Management

Agreement with Standard Parking through June 30, 2016; and 2) to amend the Parking Management Agreement to reflect an annual Basic Management Fee of \$252,363 and an annual Additional InterLink Fee of \$9,230 for Fiscal Years 2014 through 2016.

WHEREAS, in June 2007, the Board of Directors authorized the Rhode Island Airport Corporation (RIAC) to negotiate and execute the Parking Management Agreement (PMA) with Standard Parking (Standard); and

WHEREAS, in November 2007, the Board of Directors authorized the First Amendment to the PMA to incorporate Garage C; and

WHEREAS, in October 2010, RIAC executed the Second Amendment to the PMA to incorporate the InterLink Facility; and

WHEREAS, the current term of the PMA with Standard expires on June 30, 2013 and may be extended by mutual written agreement on or before March 1, 2013 for an additional three year term commencing July 1, 2013 with another potential three year extension commencing July 1, 2016; and

WHEREAS, per the terms of the PMA, Standard charges all necessary and direct expenses to operate the parking facilities (operating costs) and the management fees to RIAC on a monthly basis; and

WHEREAS, parking revenues in RIAC's financial statements are presented net of related costs; and

WHEREAS, the Basic Management Fee for Fiscal Year 2013 is \$271,657; and

WHEREAS, the Additional InterLink Fee for Fiscal Year 2013 is \$9,936; and

WHEREAS, RIAC staff negotiated a reduced annual Basic Management Fee of \$252,363 and a reduced additional InterLink fee of \$9,230 for Fiscal Years 2014 through 2016; and

WHEREAS, RIAC staff recommends extending the PMA through June 30, 2016 and executing an amendment to reflect the negotiated Basic Management Fee and Additional InterLink Fee; and

WHEREAS, all other terms and conditions of the PMA will remain in full force and effect.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorize the Interim President and CEO, or his designee to 1) extend the Parking Management Agreement with Standard Parking through June 30, 2016; and 2) to amend the Parking

Management Agreement to reflect an annual Basic Management Fee of \$252,363 and an annual Additional InterLink Fee of \$9,230 for Fiscal Years 2014 through 2016.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval to Request the Rhode Island Department of Transportation to Exercise its Condemnation Authority to Acquire an Avigation Easement for Newport Airport.

Mr. Frazier gave an overview of this item noting that multiple attempts to negotiate a settlement have been unsuccessful. Acquiring the easement is necessary for RIAC to meet FAA commitments to maintain the approach surfaces. The recommendation is the Board authorize the Interim President and CEO, or his designee, to request the Director of the Rhode Island Department of Transportation to exercise RIDOT's power to acquire the easement by condemnation and authorize the Rhode Island Airport Corporation to enter into a Memorandum with the Rhode Island Department of Transportation to agree to pay the costs associated with the condemnation process.

WHEREAS, obstructions were identified as part of the approved Federal Aviation Administration (FAA) Airspace Analysis dated August 2011 that impact the instrument approach to Runway 4-22; and

WHEREAS, failure to remove these obstructions will result in the FAA removing the localizer procedure and prompt them to relocate the equipment leaving the airport with only a Visual Flight Rule approach procedure; and

WHEREAS, the Rhode Island Airport Corporation (RIAC) has reached out to the pilot community at Newport, as well as an investor who is installing a new T-Hangar, and all have voiced their concern over this potential change; and

WHEREAS, RIAC has made several attempts to acquire an aviation easement over what is known as Parcel 11, located on Forest Avenue in Middletown, Rhode Island with no success; and

WHEREAS, acquiring the easement right is on the critical path of meeting RIAC's FAA commitment to maintain approach surfaces at Newport State Airport.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to request the Director of the Rhode Island Department of Transportation to exercise RIDOT's power to acquire the easement by condemnation and authorize the Rhode Island Airport Corporation to enter into a Memorandum with the Rhode Island Department of

Transportation to agree to pay the costs associated with the condemnation process.

The motion was passed unanimously.

(e) Consideration of and Action Upon Approval to Request the Rhode Island Department of Transportation To Exercise its Condemnation Authority to Acquire Properties for the Runway 5-23 Extension Project at t. F. Green Airport.

Mr. Frazier provided an overview of this item noting that RIAC will first attempt to negotiate a settlement based on fair market value to acquire any privately owned properties. Dr. Hittner stated it is important to move ahead with this project and get an objective assessment of the properties. The recommendation is that the Board authorizes the Interim President and CEO, or his designee, to request the Director of the Rhode Island Department of Transportation to exercise RIDOT's power to condemn roads and properties necessary, or advisable, to complete the Airport Improvement Program, and allow the Rhode Island Airport Corporation to enter into a Memorandum with the Rhode Island Department of Transportation to agree to pay the costs associated with the condemnation process.

WHEREAS, various roads and properties must be acquired to complete the Airport Improvement Program (AIP) for T. F. Green Airport as set forth in the September 23, 2011 Record of Decision and Final Written Re-Evaluation dated January 23, 2013; and

WHEREAS, the condemnations are necessary, or advisable, to accomplish the Project. For any privately owned property, the Rhode Island Airport Corporation (RIAC) will first attempt to reach a negotiated sale of the underlining property before seeking the Rhode Island Department of Transportation (RIDOT) condemnation.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to request the Director of the Rhode Island Department of Transportation to exercise RIDOT's power to condemn roads and properties necessary, or advisable, to complete the Airport Improvement Program, and allow the Rhode Island Airport Corporation to enter into a Memorandum with the Rhode Island Department of Transportation to agree to pay the costs associated with the condemnation process.

The motion was passed unanimously.

5. Pension Committee Report.

Dr. Hittner reported the Committee met prior to the Board Meeting. Dr. Hittner stated Mr. Arthur J. Meizner, of the new investment advisor from the firm of Hooker & Holcombe, led an overview of the pension plan and investment option performance results.

Consent Items:

(a) Consideration of and Action Upon Authorizing the Plan Administrator to Implement Recommended Fund Changes.

Dr. Hittner reported that based on the advice of the Investment Advisor, the Pension Committee approved a motion to pay the Investment Advisor's fee directly by RIAC, and not from plan proceeds, and to allocate that approximate \$13,397 plan savings to reduce the investment expense on investment options having adjustable investment costs. Ms. Thomas asked if the funds for payment of the Investment Advisor's fees were including in the budget. Mr. Schattle confirmed these fees were included.

A motion was made by Mr. Traficante and seconded by Mr. Dimeo to approve this item. The motion was passed unanimously.

6. Executive Session:

At approximately 4:28 p.m. a motion was made by Mr. Dimeo and seconded by Mr. Traficante to go into Executive Session for the

purposed of discussing the following items:.

(a) Motion to Approve the Minutes of the Executive Session held on January 16, 2013 - R.I.G.L. § 42-46-5(a),(1),(2),(5) and (7); and

(b) Discussion Related to Collective Bargaining – R.I.G.L. § 42-46-5(a)(2); and

(c) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Bonding) – R.I.G.L. § 42-46-5(a)(7); and

(d) Discussion Regarding Individual Candidate Qualifications (Job Performance as ranked by the Committee) - R.I.G.L. § 42-46-5(a)(1); and

(e) Motion to Return to Open Session.

For the record, the affected individuals were notified in writing that the Board intended to convene in Executive Session in order to discuss their job performance, and declined to have this discussion take place in Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Bradford S. Dimeo

Deborah M. Thomas

Michael Traficante

NAYS: None

ABSTAIN: None

At approximately 4:54 p.m., a motion was made by Ms. Thomas and seconded by Mr. Traficante to return to the Open Session. The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held February 20, 2013.

A motion was made by Mr. Dimeo and seconded by Mr. Traficante to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Bradford S. Dimeo

Deborah M. Thomas

Michael Traficante

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken in Executive Session.

During the Executive Session, a motion was made by Ms. Thomas to approve the sealed minutes of the Executive Session held on January 16, 2013. The motion was seconded by Mr. Dimeo. The motion passed unanimously.

8. President and CEO Selection Committee Report.

Dr. Hittner, on behalf of the Board of Directors, thanked Mr. Frazier and Mr. Schattle for their hard work and dedication during the President and CEO search period. Dr. Hittner expressed the Board's gratitude and appreciation for the work done by Mr. Frazier serving as the face of the airport to the community and the press while serving as the Interim President and CEO.

Consent Item:

(a) Vote on Ranking Candidates and Recommendation to the Board of Directors.

Dr. Hittner stated the President and CEO Selection Committee members recommend the Board select Mr. Kelly Fredericks as the President and CEO of the Rhode Island Airport Corporation. A motion was made by Mr. Dimeo and seconded by Mr. Traficante to approve the ranking and recommendation. The motion was passed unanimously.

Action Item:

(a) Vote to Approve Appointment of the New President and CEO and Contract.

Dr. Hittner stated Mr. Fredericks has 30 years of aviation and transportation experience and is also a professional engineer and pilot. Mr. Fredericks will bring a fresh perspective and experience with runway expansion work, which will be especially import over the next three to five years. Mr. Frederick's skills will bring added value to the team at the Rhode Island Airport Corporation to make our airport successful. Dr. Hittner stated she is very please to present Mr. Fredericks and the contract to the Board of Directors for approval.

A motion was made by Mr. Dimeo to approve the appointment of the New President and CEO and Contract. Mr. Traficante seconded the motion. The motion passed unanimously.

Dr. Hittner and Mr. Fredericks signed the contract at the Board of

Director's table.

9. Future Meetings:

The next Board Meeting will be held on Wednesday, March 20, 2013 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

10. Adjournment:

Mr. Dimeo moved to adjourn at approximately 4:55 p.m. Mr. Traficante seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, FEBRUARY 20, 2013**

NAME AFFILIATION

Brian Schattle RIAC

Patti Goldstein RIAC

Liberty Luciano RIAC

Sherri Ann Penta RIAC

Paul McDonough RIAC

Alan Andrade RIAC

Joseph Ottaviano RIAC

Leo Messier RIAC

Kelly J. Fredericks The Corradino Group

Ira Knupp Guest

Robert Goff New England Parking

Paul Parker The Providence Journal

Woody Creswell The Paradies Shops

Val Mendonca Constituent

Jim Falvey PB Americas

Nick Stefaniak Louis Berger Group

**The minutes of the Executive Session of the Board Meeting of
February 20, 2013, have been sealed in accordance with R.I.G.L. §**

42-46-4.